

GUJARAT TECHNOLOGICAL UNIVERSITY
DIPLOMA IN COMMERCIAL PRACTICE
SEMESTER: V

Subject Name: **Cost Accounting**

| Sr. No. | Course content |
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| 1. | Direct wages and overheads. <ul style="list-style-type: none">• Computation of wages under following plans.<ul style="list-style-type: none">○ Time wage.○ Piece wage.○ Halsey plan.○ Rowan plan.• Labour turnover rate.<ul style="list-style-type: none">○ Meaning○ Methods.○ Separation method.○ Replacement method.○ Joint method.○ Equivalent annual labour turnover rate.• Overheads.<ul style="list-style-type: none">- Types of overheads.- Classification of expenses.- Allocation of expenses.- Absorption of factory overheads only by machine hour rate method.- Over absorption and under absorption. |
| 2. | Contract accounts. <ul style="list-style-type: none">• Introduction and type of expenses in contract.• Certified and uncertified work.• Work in progress.• Payment received from the contracted.• Determination of profit of contract to be credited to profit and loss account.<ul style="list-style-type: none">In the case of completed contract.In the case of incomplete contract.In the case of likely to be completed contract (estimated profit method). |
| 3. | Process Costing. <ul style="list-style-type: none">• Introduction, features and elements.• Normal and abnormal wastage and abnormal gain.• Process accounts.• Joint product and by-product. (Inter process profit be excluded.)\ |

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| 4. | Operating Costing. <ul style="list-style-type: none"> • Meaning and features. • Operating cost sheet for the transportation. (Rail and road transportation for the carriage of goods and passengers – for single and composite units) |
| 5. | Standard Costing <ul style="list-style-type: none"> • Definition • Characteristics • Advantages • Limitations • Types of standards • Setting standards • Analysis of variances <ul style="list-style-type: none"> - direct material - direct labour - variable overheads - fix overhead - Sales variances • practical problems only on direct material and direct labour |
| 6. | Reconciliation statement. <ul style="list-style-type: none"> • Introduction • Reasons for disagreement of profit as per cost and financial accounts. • Preparation of reconciliation statement. |

Note: Elementary Level Should be Taken in to Consideration for the Subject.

Reference Books:

1. Cost Accountancy – Shukla and Grewal – Sultan Chand & Sons, New Delhi.
2. Accountancy (F.Y. B. Com. Guj. Uni.) – Rana Dalal – Sudhir Prakashan – Ahmedabad.
3. Advance Accountancy and Auditing – IV (T. Y. B. Com. Guj. Uni.) – Rana Dalal - Sudhir Prakashan – Ahmedabad.
4. Advanced Accountancy – III – Rana and Dalal – Sudhir Prakashan – Ahmedabad.